

State of Rhode Island and Providence Plantations

Public Utilities Commission

Minutes of Open Meeting Held on January 11, 2002

Attendees: Chairman Elia Germani, Commissioner Kate Racine, Commissioner Brenda Gaynor, Steve Frias, Cindy Wilson, Alan Nault and Luly Massaro.

Chairman Germani called the open meeting to order at 10:00 AM in the first-floor hearing room of the Public Utilities Commission. A quorum was present.

Competitive Telecommunications Service Providers

The following telecommunication service provider registered to operate as a Class VI provider. The Division has reviewed the registration and recommends approval:

3411 - Cambrian Communications, LLC

After review, Commissioner Racine moved to approve the registration. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

The following Competitive Local Exchange Carriers submitted tariff revisions. The Division has reviewed the tariff filings and does not recommend suspension:

3196 - Z-Tel Communications, Inc.

3036 - CTC Communications Corp.

2876 - Williams Communications LLC dba Vyvx, LLC

2472 - Sprint Communications

2621 - WorldCom Communications

2618 - AT&T Communications of New England, Inc.

2535 - Cox RI Telecom LLC

After review, the Commission followed the Division's recommendation that the tariff filings be allowed to go into effect without suspension.

The following Competitive Switchless Resellers submitted tariff revisions. The Division has reviewed the tariff filings and does not recommend suspension:

2262(M1) - Talk America, Inc.

2262(A6) - Southwestern Bell Communications Services, Inc.

2262(C8) - CTC Communications Corp.

2262(D5) - ITC DeltaCom Communications, Inc.

2262(O) - VarTec Telecom, Inc.

2262(Q2) - Affinity Network Inc.

2262(P2) - NOSVA Limited Partnership

2262(O2) - NOS Communications, Inc.

After review, the Commission followed the Division's recommendation that the tariff filings be allowed to go into effect without suspension.

2791 - Net2000 Communications Services, Inc.: The Company filed a petition to transfer its assets and customer base to Cavalier Telephone Corporation to consummate a Asset Purchase Agreement arising out of its Chapter 11 bankruptcy status. The company also seeks to discontinue providing telecommunication service and abandon its certificate to operate in RI. The agreement was approved by the Bankruptcy Court on December 27, 2001. After review, Commissioner Racine moved to approve the petition with the condition that Cavalier Telephone register for authority to operate in RI. NET2000's request to discontinue service and abandon its certificate to operate in RI is granted. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

Verizon Rhode Island Interconnection Agreements (ICAs):

The following ICA was submitted for approval. The Division has reviewed the ICA and recommends approval:

3404 - Verizon ICA entered with Equal Access Network, LLC

After review, Commissioner Racine moved to approve the ICA. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

3410 - Verizon Rhode Island: Verizon submitted a tariff filing to introduce "FlexGrow Service" which provides voice and data services over a channelized T1 facility between the central office and the customer premises for effect January 19, 2002. The Division has reviewed the tariff filing and does not recommend suspension. After review, the Commission followed the Division's recommendation that the tariff filing be allowed to go into effect without suspension.

3409 - Narragansett Bay Commission (NBC): NBC filed an application to increase its rates to generated additional operating revenues in the amount \$8,834,420 or 24.1 % for effect January 21, 2002. After review, Commissioner Racine moved to suspend the tariff filing. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.**

3390 - Prudence Island Utilities Corp. (PIUC): This docket relates to a rate application by PIUC seeking to collect additional operating revenues in the amount of \$49,462.00 or 42.8%. Following settlement discussion, a Settlement Agreement was entered between PIUC and the Division resolving issues in the case. The parties agreed to adjust PIUC's annual water rate from \$329 to \$425 effective January 1, 2002 in order to obtain additional operating revenues of approximately \$33,700.00. The additional revenues will principally be used to fund approximately \$250,000.00 of anticipated debt to be financed through the RI Clean Water Financing Agency and the State Revolving Loan Fund (which proceeds will be applied towards the construction of the a new storage tank). Also, fund in-house repair and improvements of the Narragansett Avenue water lines.

Commissioner Racine noted that PIUC is a small investor-owned water utility whose rates continue to increase due to needed capital improvements and debt costs. The Company is considering making a transition to become a non-profit corporation or water district. She instructed the Division to work closely with PIUC and all parties in its attempt to make such transition and to keep the Commission apprised of such discussions. Commissioner Racine moved to approve the Settlement Agreement. The motion was seconded by Commissioner Gaynor and unanimously passed. **Vote 3-0.** The Company shall continued with current reporting requirements every three months.

With respect to whether PIUC is required to file a report on its IFR programs with the Dept. of Health, the law requires that a water company whose water sales is 50 million gallons or more per year must file a report on its IFR programs. PIUC does not qualify and is not required to file such report.

There being no further business to discuss, the open meeting adjourned at 10:15 A.M.